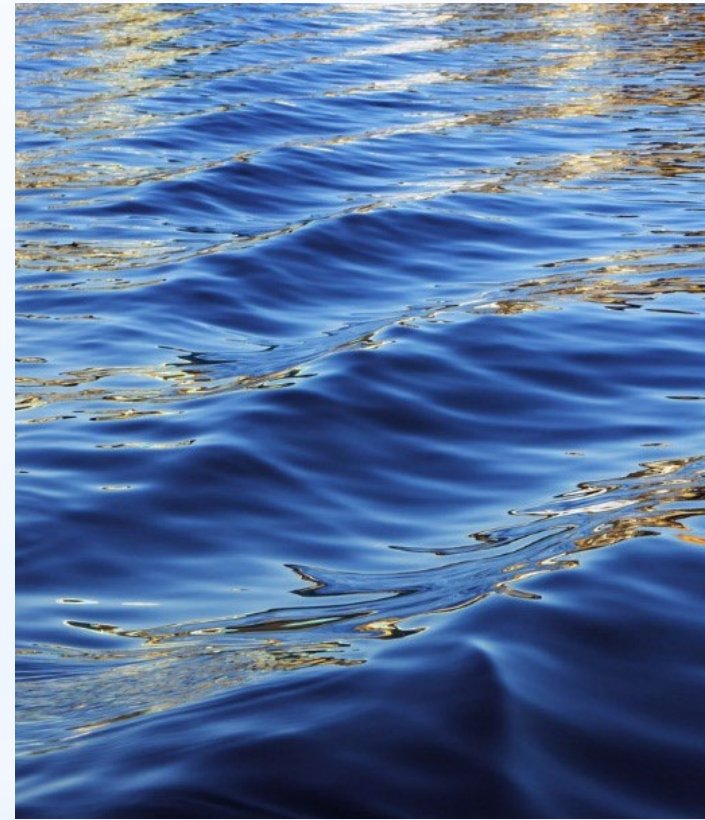




# Intended Use Plan & Disadvantaged Community Analysis

ADEC State Revolving Fund Program



# Intended Use Plan and Project Priority List

- Intended Use Plans - Clean Water and Drinking Water
- Intended Use Plans are updated every year (June)
- Project Priority Lists are updated three times a year
- Questionnaire required to list a project
- Current Questionnaire submittal dates: February 28, June 30, October 31
- Projects may remain on the list for two years before a new questionnaire is required

## ALASKA CLEAN WATER FUND STATE REVOLVING FUND

Intended Use Plan for  
State Fiscal Year 2022 and  
Federal Fiscal Year 2021 Grant Allotment



## ALASKA DRINKING WATER FUND STATE REVOLVING FUND

Intended Use Plan for  
State Fiscal Year 2022 and  
Federal Fiscal Year 2021 Grant Allotment



Submitted to the U.S. Environmental Protection Agency  
By  
Alaska Department of Environmental Conservation  
Division of Water  
May 2021

# Subsidy

- Some subsidy in a form of loan forgiveness is available for borrowers that meet “Disadvantaged Community” criteria





# Additional Subsidization

- Federal Requirement
  - A portion of the federal grants must be used to provide “additional subsidization”
- Alaska Regulations
  - State regulation limit distribution of subsidy to borrowers that meet the state definition of disadvantaged community



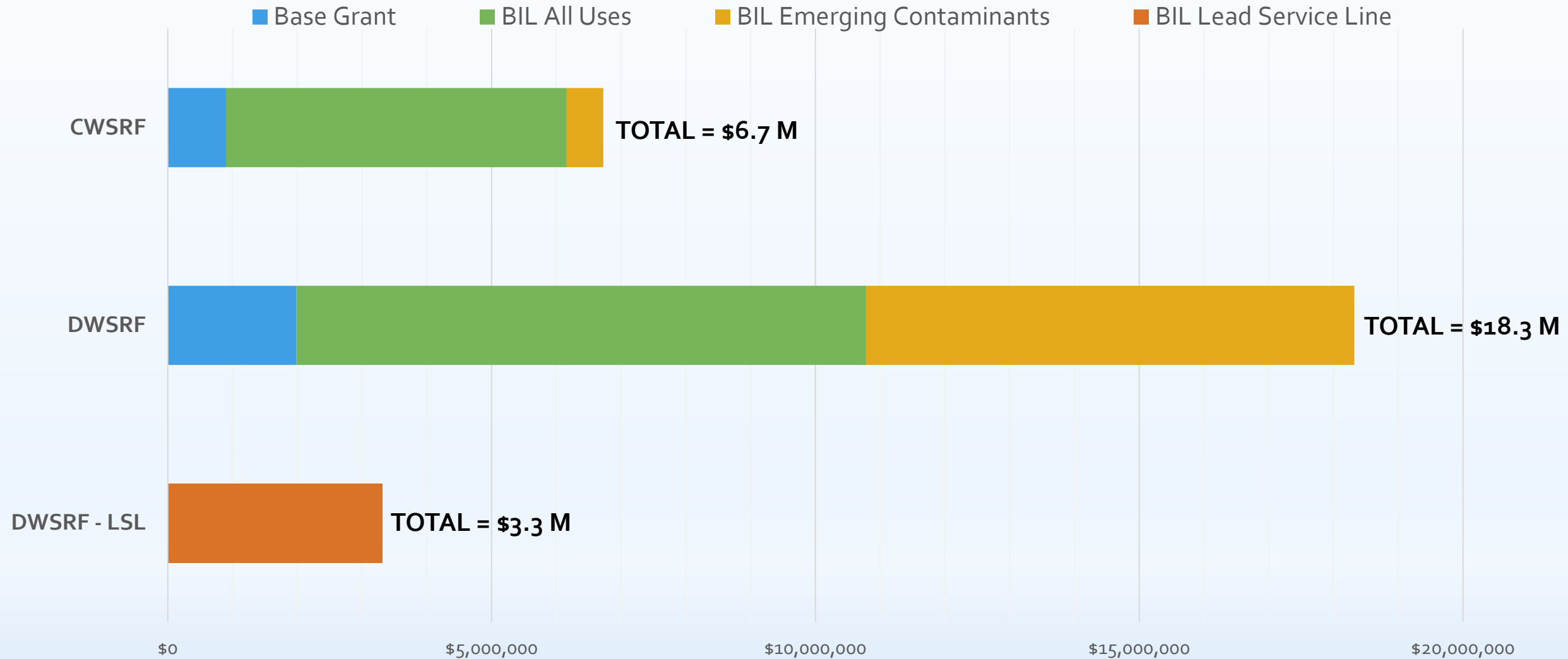
# Base Funding and Bipartisan Infrastructure Law (BIL)

Funding for:	Clean Water SFY24	Drinking Water SFY24	Additional Subsidy
BASE – Clean Water	\$4.5 M		10-30%
BASE – Drinking Water		\$4.9M	26-49%

Funding for:	Clean Water Year 1	Drinking Water Year 1	Additional Subsidy
BIL - All eligible projects	\$10.7 M	\$18 M	49%
BIL - Emerging Contaminants	\$0.5 M	\$7.5 M	100%
BIL - Lead Service Line		\$6.7M	49%*

# Estimated SFY24 Subsidy



# Current Methodology

## SRF Program Disadvantaged Community

- Median household income, unemployment, population trend
- Each factor compared to statewide average
- If less favorable than the statewide average, the community qualifies to receive loan forgiveness

## Subsidy Cap

- Maximum forgiveness of \$500,000 per community per year

# Current Methodology

## Pros

- Easy to calculate
- Data readily available
- Results are transparent

## Cons

- MHI may not accurately reflect lowest income groups
- Does not consider variations in affordability between communities



# Analysis Goal



# Proposed Disadvantaged Community Criteria



# Household and Socioeconomic Burden

CRITERIA	0 POINTS	1 POINT	2 POINTS	MAXIMUM POINTS
Lowest Income Quintile	> statewide	< statewide	< 80% of statewide	Household Burden (max 4 points)
Water + sewer bill as a % of Lowest Income Quintile	< 4%	> 4 %	> 6 %	
% households receiving food stamps	< statewide	> statewide	> 150% of statewide	Socioeconomic Burden (max 8 points)
% households below poverty level	< statewide	> statewide	> 150% of statewide	
Unemployment 2022	< statewide	> statewide	> 150% of statewide	
Population trend 2010 to 2020	< 10% change	+/- 10 to 20%	+/- 20% or more	

# Proposed Household Burden Indicator

Monthly Water & Sewer Bill	\$120
Annual Water & Sewer Bill	\$1,440
Lowest Income Quintile (LIQ)	\$25,000
<b>Total Water &amp; Sewer Cost as Percent of LIQ</b>	<b>5.8%</b>

Factor	Percent	Score
Total Water & Sewer Cost as Percent of LIQ	0 to 4%	0 points
	4% to 6%	1 point
	Above 6%	2 points



Wikimedia Commons

# Example Scores with Household & Socioeconomic Burden

Community	Points
Anchorage	2
Juneau	2
Naknek	2
Unalaska	2
Cordova	3
Fairbanks	3
Nome	3
North Pole	3
Valdez	3

Community	Points
Dillingham	4
King Salmon	4
Petersburg	4
Sitka	4
Soldotna	4
Yakutat	4
Palmer	5
Seldovia	5
Craig	6
Gustavus	6
Homer	6
King Cove	6
Kodiak	6
Sand Point	6
Seward	6
Wrangell	6

Community	Points
Bethel	7
Haines	7
Kenai	7
Ketchikan	7
Kotzebue	7
Whittier	7
Hoonah	8
Skagway	8
Talkeetna	8
Togiak	8
Unalakleet	9
Wasilla	9

# Priority Projects



Priority projects represent project outcomes that DEC wants to incentivize.



Priority projects would be identified in the Intended Use Plan and may be modified on a year-to-year basis as necessary.



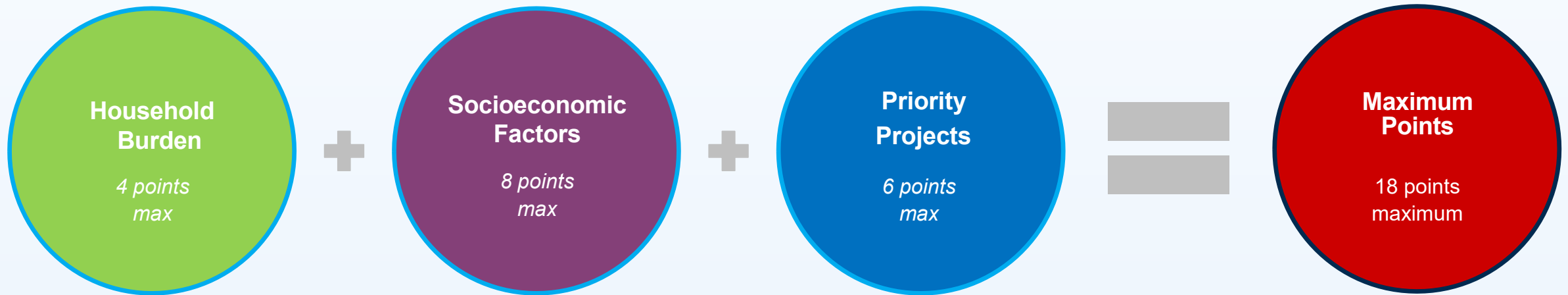
Potential examples: Consolidation, advanced wastewater treatment, project to resolve health-based violations.



# Priority Projects

Points	Criteria
6	Project will result in completion of a Lead Service Line Inventory.
6	Project will provide treatment to address an emerging contaminant.
6	Project will resolve a health-based violation of the SDWA.
6	Project will install domestic wastewater treatment to meet the minimum treatment requirements of 18 AAC 72.050.
6	Project will result in consolidation of two or more public water systems or wastewater systems to address violations of the SDWA or CWA.
6	A water distribution system will be expanded to provide service to replace private sources that exceed the MCL for a primary drinking water contaminant.
6	A wastewater collection system will be expanded to provide service to individual services that use on-site wastewater systems.
5	Project will improve the water quality of an impaired water body.
4	Project will result in development of an Asset Management Plan.

# Proposed Disadvantaged Community Framework



# Points and Loan Forgiveness

Tier	Point Range	Loan Forgiveness	
		Clean Water	Drinking Water
Tier 1	0 to 3	N/A	N/A
Tier 2	4 to 6	Maximum of \$500,000	Maximum of \$1,500,000
Tier 3	7 to 10	Maximum of \$1,000,000	Maximum of \$2,500,000
Tier 4	10+	Maximum of \$2,000,000	Maximum of \$3,500,000

# Questions?



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